

STATE OF WASHINGTON
**OFFICE OF
INSURANCE COMMISSIONER**
**BEFORE THE INSURANCE COMMISSIONER
OF THE STATE OF WASHINGTON**

In the Matter of)	No. D 99-85
COREGIS INSURANCE COMPANY,)	Consent Order Levying a Fine
An Authorized Insurer)	

FINDINGS OF FACT:

1. Coregis Insurance Company is authorized to transact property and casualty insurance business in Washington State. It is subject to WAC 284-07-010, which requires each insurer authorized to write property and casualty insurance in this state, to complete a special liability report and to submit it to the Insurance Commissioner by May 1 of the year after the calendar year which is the subject of the report.
2. On November 18, 1998, the Insurance Commissioner's staff mailed a form for this special liability report to Coregis Insurance Company, as a courtesy and a reminder. Nevertheless, the insurer did not file a special liability report for calendar year 1998 by May 1, 1999.
3. On May 10, 1999, the Insurance Commissioner's Senior Actuary, Lee Barclay, sent a letter to Coregis Insurance Company. It stated in bold type that if the Insurance Commissioner had not received the report by June 1, 1999, Coregis Insurance Company would be fined. By June 1, the insurer had not yet submitted its special liability report for calendar year 1998. By the date when this consent order is being sent to the insurer, it has still not done so, nor has it responded to Mr. Barclay's May 10 inquiry letter.
4. This is the second consecutive year in which Coregis Insurance Company has failed to send its special liability report timely, or at all.

CONCLUSIONS OF LAW:

1. The failure of Coregis Insurance Company to file its 1998 special liability report with the Insurance Commissioner by May 1, 1999 was a violation of WAC 284-07-010. It was also a violation of RCW

48.05.380, "Reports by property and casualty insurers- Rules" and of RCW 48.05.390, "Reports by various insurers- Contents."

2. Washington Administrative Code (WAC) 284-30-650 provides that "It is an unfair practice for an insurer...to fail to respond promptly to any inquiry from the Insurance Commissioner relative to the business of insurance." That section also states that "A lack of response within fifteen business days from receipt of the response will be considered untimely. A response must be in writing, unless otherwise indicated in the inquiry." RCW 48.30.010 prohibits unfair practices,

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including but not limited to violations of WAC 284-30-650.

2. RCW 48.05.140, "Certificate of authority- Discretionary refusal, revocation , suspension"

provides in section (1) that the Insurance Commissioner is authorized to refuse, suspend or revoke an insurer's certificate of authority if the insurer "...Fails to comply with any provision of this code other than those for which refusal, suspension, or revocation is mandatory".

3. RCW 48.05.185, "Fine in addition to or in lieu of suspension, revocation, or refusal" provides that "After hearing or with the consent of the insurer and in addition to or in lieu of the suspension, revocation, or refusal to renew any certificate of authority, the Commissioner may levy a fine upon the insurer in an amount not less than two hundred fifty dollars and not more than ten thousand dollars."

CONSENT TO ORDER:

Coregis Insurance Company hereby stipulates to the foregoing Findings of Fact and Conclusions of Law and consents to this order, which imposes a fine of seven thousand five hundred dollars (\$7500) for the two violations described above, in lieu of further proceedings in this matter. This fine will be paid in full within thirty days after the entry of this order at Olympia, Washington. Failure to pay this fine timely and in full will constitute grounds for suspension or revocation of the insurer's certificate of authority in Washington state, and the fine will be recovered in a civil action brought on behalf of the Insurance Commissioner by the Attorney General of the State of Washington.

Coregis Insurance Company expressly stipulates to obey all insurance laws and regulations of Washington state in the future, including but not limited to WAC 284-07-010, RCW 48.05.380, RCW 48.05.390, and WAC 284-30-650. If Coregis Insurance Company has not yet filed its special liability report for 1988 by the time it receives this consent order in the mail, it stipulates to do so within five days of receipt of the order.

EXECUTED this _____ day of _____, 1999

Corporate Title _____

ORDER:

Pursuant to RCW 48.05.185, the Insurance Commissioner hereby imposes a fine of seven thousand five hundred dollars (\$7500) upon Coregis Insurance Company. This fine must be paid

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in full within thirty days after this order is entered at Olympia, Washington. Failure to pay the fine timely and in full will constitute grounds for suspension or revocation of the insurer's certificate of authority. It will also result in a civil action brought on behalf of the Insurance Commissioner by the Attorney General of the State of Washington.

ENTERED AT OLYMPIA, WASHINGTON on this _____ day of _____, 1999.

DEBORAH SENN

Insurance Commissioner

WILLIAM KAY KIRBY

Assistant Deputy Insurance Commissioner III

Legal Affairs Division